

19 October 1970

MEMORANDUM FOR: Deputy Director for Intelligence  
SUBJECT : NY Times Report on Subversives  
in GVN Government

1. The Neil Sheehan article (copy attached) ran in today's Times. The article is based on our publication ER IM 70-63, "Viet Cong Covert Agencies in South Vietnamese Territory." A copy of the IM and its distribution lists are attached.

2. We will prepare a more detailed comment on the Sheehan article later this morning. Some preliminary comments follow:

a. The figures reported by Sheehan on the various categories making up the 30,000 agents are accurate (see page 5 of the IM). The NYT article fails, however, to report important qualifications to the 30,000 figure (see paragraph 8 in the IM) suggesting that the number of hard core agents would be on the order of 10-20% or 3,000-6,000.

b. Most of the accounting by Sheehan seems to be a reasonably accurate reflection of the IM.

c. The White House apparently tried to say the IM was not "the formal position of the CIA." It was, however, a published memorandum coordinated with OCI, ONE and SAVA. It was also coordinated with DDP. However, you may recall that DDP later claimed that it understood it was coordinating a typescript memorandum for the White House and did not realize it was going to be published.

Deputy Director  
Economic Research

Attachments:

1. As stated in para 1.
2. ER IM 70-63, Cy #167. (SPECIAL)

SECRET

25X11

Orig. & 1 - Addressee w/att.  
2 - OD/OER w/o/ atts.  
~~1~~ - DD/OER w/ atts.  
1 - Ch/D/I w/o/atts.

1- [redacted] off of security w/o atts. 25X1

OD/OER: [REDACTED] (19 Oct 70)

[illegible]

2. The second part of the report, "The Role of the State in the Development of the Economy," discusses the importance of state intervention in the economy. It argues that the state should play a leading role in the development of the economy, particularly in the areas of infrastructure, education, and health. The report also discusses the role of the state in the distribution of income and the provision of social services.

JD/ER

## C.I.A. Says Enemy Spies Hold Vital Posts in Saigon

By NEIL SHEEHAN  
Special to The New York Times

WASHINGTON, Oct. 18—The Central Intelligence Agency has told President Nixon that the Vietnamese Communists have infiltrated more than 30,000 agents into the South Vietnamese Government in an apparatus that has been virtually impossible to destroy.

Because of this, the C.I.A. reported, as United States troop withdrawals proceed, a resurgence of Communist strength in South Vietnam can be expected.

The report to Mr. Nixon said that the secret Communist agents had included an aide to President Nguyen Van Thieu of South Vietnam, a former province chief and high officials of the police and of military intelligence.

### Confirmation by Officials

While the study is not addressed specifically to the question of the President's war policy, officials of the United States Government who have read it say that it does raise questions about a key aspect of this policy—Vietnamization, or gradually giving the South Vietnamese the main burden of defending themselves against the Vietcong and North Vietnamese and thus allowing American troop withdrawals.

High White House officials confirmed the existence of the report. They contended, however, that it exaggerated the extent of infiltration and they rejected the analysis as inaccurate and "overly pessimistic."

They said that the President had read a summary of its contents and that he is understood to believe that the analysis is unwarranted because of the generally optimistic reports he has been receiving from other sources about the progress of pacification, the improved military performance of the South Vietnamese and the effects of the Cambodian incursion.

The Central Intelligence Agency's analysis does not assert or imply that the South Vietnamese Government is likely to fall in the next few months, the officials who have read it said. Nor does the study discount the likelihood that the South Vietnamese Army will perform well in battle for some time to come, as occurred in Cambodia.

What the study does imply, the officials said, is that the South Vietnamese Government has little chance of enduring over the long run because of the great extent of Communist penetration.

In terms of troop withdrawals, the President has so far committed himself only to reducing American men in South Vietnam to 284,000 by next May.

Continued on Page 14, Column 1

Je  
Si  
th  
Pa

# C.I.A. Report Says Enemy H

Continued From Page 1, Col. 4

He has indicated, however, that he hopes to make further withdrawals at his Vietnamization program continues. The President has also repeatedly stated, as did high White House officials in commenting on the C.I.A. analysis, that the Vietnamization program is going well.

Details of the top-secret study were made available to The New York Times by the Government officials who read it. The study was made last May, the officials said, and has been circulated in the White House, the Pentagon and the State Department. Information received since May—especially after the two-month attack on Communist sanctuaries in Cambodia that ended June 30—has continued to confirm the C.I.A.'s findings, the officials said.

## Fresh Analysis of Documents

The study was apparently based on new information about the nature and size of the Communist spy organization in South Vietnam as well as on a fresh analysis of captured documents and interrogations of prisoners and defectors during the last two to three years.

In its analysis, the Central Intelligence Agency says that early last year, after a number of setbacks on the battlefield, the Communists decided to shift their long-range strategy from intense military activity to political erosion, against the day when American troop strength would no longer be a serious threat because of withdrawals.

The enemy is confident that this strategy will succeed, the analysis pointed out. It offered no contradiction.

To carry out the new strategy, the report asserts, the Communists stepped up their infiltration of secret agents into various branches of the South Vietnamese Government.

## Most Natives of South

The study estimates that the enemy has infiltrated more than 30,000 agents—most of them natives of the southern part of divided Vietnam—into the armed forces, the police force and the South Vietnamese intelligence organizations charged with eradicating the Vietcong guerrillas and their North Vietnamese allies. (High White House officials said that the study gave a total of about 20,000 agents, but the officials who had read it said they were certain the figure was 30,000.)

The number of such agents is said to be growing, with a goal of 50,000. If this goal is reached, the spy organization would be 5 per cent of the South Vietnamese military and police forces. The C.I.A. study doubts, however, that the Communists achieved their goal by the end of 1969, the target date.

While the enemy operatives range from very effective to very poor, the study says, the network derives its power from the fact that the United States and the South Vietnamese Government have nothing remotely comparable.

The study describes the workings of three Communist political-action and intelligence organizations, one of which has proven so impervious to Government countermeasures that none of its important agents

have been arrested. The C.I.A. refers to the relatively few arrests to tell how Communist agents have reached into army headquarters, into President Thieu's office and even into the negotiating team at the Paris peace talks.

## Apathy a Possible Reason

In addition, the Central Intelligence Agency reports the failure of hundreds of thousands of South Vietnamese policemen and soldiers to report contacts by Vietcong agents. The report adds that the enemy network could not exist without the tacit complicity—whether from fear, sympathy or apathy—of the majority of South Vietnamese soldiers and policemen.

The C.I.A. cited such feelings as evidence that the Saigon Government could not command the deep loyalty of the men on whom it depends to defend itself.

Although the South Vietnamese Government is infiltrated from bottom to top, the study said, the United States and Saigon have had little success not only in penetrating the Communist organization but also in keeping agents alive in areas the Communists control. The study offers the following assessment of the advantages of the enemy's virtual monopoly on subversion:

¶There is a permanent imbalance in tactical military intelligence. The enemy is usually forewarned of allied moves and the United States and South Vietnam are usually ignorant of Communist ones. ¶Because most Government-held areas are nominally, rather than firmly, controlled, the enemy is able to recruit selectively and to decide freely who should be assassinated for maximum political effect.

¶The enemy has excellent security and can thwart Government efforts to infiltrate its organization and territory. Government agents are exposed in advance and programs such as Phoenix—an effort begun in 1967 to uncover and destroy the Vietcong apparatus in the countryside—are undermined. Officials noted that the study provided the most plausible explanation yet for the continuing failure of Phoenix, a program considered vital to Vietnamization.

¶Penetration of non-Communist political parties and religious groups allows the Communists to take advantage of, and worsen, the chronic political weakness of the South Vietnamese Government.

¶The Communists can survive despite great allied military pressure. Thus, as American troop withdrawals proceed, a resurgence of Communist strength can be expected. The United States expects to have 344,000 soldiers in Vietnam by the end of 1970—a reduction of 205,000 in two years.

## Hanoi Sends the Orders

Discussing the make-up of the enemy apparatus, the C.I.A. report says that the three Communist organizations that control the estimated total of 30,000 agents receive their orders from Hanoi, through the Central Office for South Vietnam, the Communist command for the South. The destruction of its headquarters was a goal of the American drive into

Cambodia, but it is still operating in the jungles.

According to the C.I.A. the full-time operatives are to be distinguished from the many more tens of thousands of part-time agents and Vietcong sympathizers in South Vietnamese society.

The largest segment of about 20,000 full-time operatives is run by the Military Proselyting Section, whose primary aim is to undermine the morale and effectiveness of the South Vietnamese armed forces and police, according to the study.

Many of these operatives are South Vietnamese officers and non commissioned officers. They try to recruit other soldiers to the Communist cause, foment dissent within units, perform covert assassinations, encourage desertions and defections and arrange accommodations in which Government military units, to avoid casualties, tacitly agree not to attack Communist forces. Such accommodations are a widespread practice that American military advisers have not been able to end.

## Relatives of Soldiers

This group of 20,000 agents is supported by a large network of couriers and keepers of safe-houses, where agents can take refuge. Most keepers of these refuges are the wives or relatives of South Vietnamese soldiers and policemen, the study continues.

A second group—about 7,000 agents—is run by the Vietcong Military Intelligence Section, the study says. These agents are said to be spotted throughout all levels of the police, armed forces and civilian administration, principally for espionage. The study notes that the mission of some of the high-level agents is to try to manipulate Government policy. The Communist Military Intelligence Section also intercepts top-secret South Vietnamese Army and police radio communications.

South Vietnamese counterintelligence has had its greatest success against these military intelligence agents, but the study cautions that the success has been a limited one. A widely publicized roundup last year probably apprehended less than half of the high-level agents working solely in the Saigon area, the study says.

## Most Dangerous Network

The third and possibly most dangerous network of agents reported by the Central Intelligence Agency is an estimated total of 3,000 members of the Vietcong security service who permeate the South Vietnamese police intelligence service, the army intelligence and military security service, and the Central Intelligence Office, the South Vietnamese counterpart of the C.I.A. Other agents from this same organization are reported to be active throughout the non-Communist political parties and religious groups.

The Vietcong security service is reportedly a type of political and secret police with the main mission of combating infiltration or disloyalty in the Communist party, the armed forces and the population in Communist-dominated regions in the South.

The service also reportedly operates large networks of

THE NEW YORK TIMES, MONDAY, OCTOBER 19, 1970

# Has Put 30,000 Agents Into Saigon Government

civilian informants in Government areas, draws up blacklists in the event a Communist-influenced government takes power in South Vietnam, and selects and kills those people on the blacklists whose deaths might have an immediate psychological and political impact.

The chief mission of its 30,000 agents in the South Vietnamese structure is to keep the Communists informed of how much the Government knows about them and to block any penetration by Government agents.

The Vietcong security service is so efficient that none of its important agents have been apprehended, the study says.

The analysis makes the point that although sufficient data are available to estimate the size of the clandestine apparatus and how it works, both the United States and the South Vietnamese Government have not been able to obtain the kind of precise information needed to identify and arrest thousands of individual agents and destroy the network.

The South Vietnamese Government has been making greater efforts in recent months to apprehend agents, the officials who read the report said, but has not achieved meaningful progress because the penetration by the enemy is already so great.

of the subversive apparatus the study gives some examples from among the relatively small number of agents who have been apprehended.

**Sensitive Mission to U. S.**

One was Huynh Van Trong, President Thieu's special assistant for political affairs. As such he was privy to the innermost workings of the South Vietnamese Government as well as to secret communications between Mr. Thieu and President Nixon. He had also participated in the Paris peace talks and had been sent on a sensitive political mission to the United States.

Another agent was a National Assembly deputy and two more were army majors who had served in the section of the police force whose mission is to prevent Communist infiltration. A fourth agent was the former assistant chief of the counterintelligence branch of the army security service.

One agent was the chief medical officer of a national police, another was a former province chief and another was the former deputy police chief of Hue, the old imperial capital. The chief of the principal army communications center in Da Nang was also reportedly discovered to be acting for the Vietcong.

Some agents at the bottom have turned up in deceptively

useful posts. One was the chauffeur for the commanding general of the army corps that encompasses the northernmost provinces of the country. A second agent was the main servant in another general's house.

In tracing the enemy's decision to shift to a strategy emphasizing political erosion, the study said that it had been made by the North Vietnamese Politburo. In addition to ordering a reduction in fighting, the Politburo called for a cut in infiltration from North Vietnam, the Central Intelligence Agency said. Infiltration declined from about 250,000 men in 1968 to approximately 120,000 in 1969, with the rate this year reportedly running toward half the 1969 total.

The Communists also shifted thousands of trained personnel from their military forces into the three political bureaucracies that penetrate the South Vietnamese Government, and sent large numbers of political leaders into government territory, the study says.

**47,203 Defectors Reported**

These new agents enter the South Vietnamese structure by several routes, one of the most common of which is the Government's amnesty program for Communist defectors. Some Communist documents refer to the infiltration process as "the

transformation of party cadres into innocent people."

There is evidence that at least several thousand false defectors entered through more than half the provinces of South Vietnam in 1969, the study says. Officials said they could not estimate what percentage of the 47,203 Vietcong defectors reported by the Saigon Government last year were actually Vietcong agents.

The study asserts that large numbers of what the Communists call "legalized cadres" are now quietly living and working in supposedly pacified districts. A legalized cadre is an agent who has acquired legitimate status in South Vietnamese society.

As an example of such cover activities, all members of a village council in an ostensibly pacified district recently were discovered to be Vietcong agents.

Although the study does not do so directly, it raises questions about the optimistic reports on pacification that Mr. Nixon has been receiving. Its implication, some officials who have read it said, is that the Communists have decided—to some extent at least—not to oppose allied pacification efforts frontally but to concentrate on infiltrating the pacifiers.

Concluding by discussing the lack of meaningful political activity on the Saigon Government's part, the study said that it had no comment on the agency

ernment by the majority of South Vietnamese soldiers, the study remarks that during an 18-month period only 348 soldiers reported that they had been approached by the Vietcong. During this time, the Central Intelligence Agency says, it is known that the Vietcong made hundreds of thousands of approaches to military personnel.

**Comment by Officials**

When first asked about the study yesterday, the White House declined to acknowledge its existence. Today high White House officials did so but contended that the study had been "essentially a one-man product" that it did "not represent the formal position of the CIA," and that it had not involved a combined analytical effort by all American intelligence services.

Under questioning, they explained that what they meant was that the analysis had been done "on a narrow basis" in the Central Intelligence Agency, but with raw material furnished by the all intelligence agencies. They also said that the analysis had been coordinated within the CIA, then with the rest of the intelligence agencies "on a limited basis" and lastly distributed under a Central Intelligence Agency stamp as an institutional report.

A spokesman for the agency had no comment on the study.